

# PSJ3

## Exhibit 537

## The issue

---

- Diversion is serious and affects everyone in the pharmaceutical industry.
- DEA licenses were suspended at three Cardinal Health facilities. We self-imposed a restriction at a fourth facility relating to retail independent sales.
- Having regular communication with DEA. Both Cardinal Health and DEA need complete confidence the right controls are in place across the network before suspensions will be lifted.
- Introduced Suspicious Order Monitoring program for retail independent customers and will expand to all classes of trade.
  - Electronic monitoring
  - Enhanced “Know Your Customers” education



Company Confidential – For internal use only

3

## What it means to retail chains?

---

- We need to collaborate on a Suspicious Order Monitoring program that minimizes disruption to legitimate needs for retail chain customers
- Goal is to understand and support our customers' processes and business while meeting our obligations
- Timeline:
  - April-May: Discussions with retail chains
  - June: Pilot Suspicious Order Monitoring program
  - July-August: Communicate and roll out across retail chains



Company Confidential – For internal use only

2

## What you can do to help

---

- Help us understand your anti-diversion processes
- Let us know how we may build on your processes
- Work with us in determining how Cardinal Health can meet its obligation to implement Suspicious Order Monitoring without disrupting the legitimate supply chain
- Join us in fighting diversion and keeping pharmaceuticals out of the wrong hands



Company Confidential – For internal use only

3